

BEYOND
HOUSING

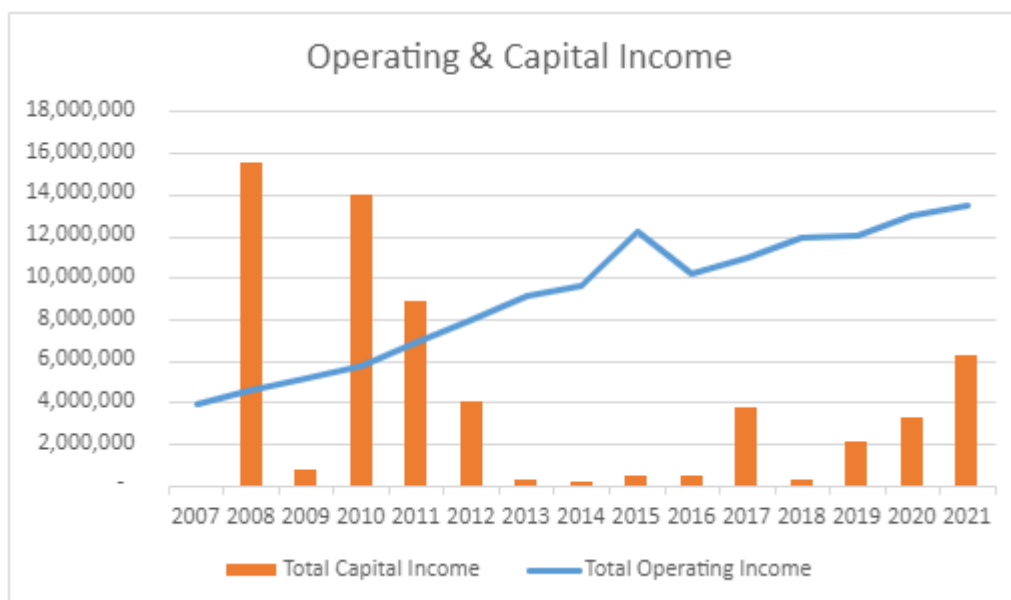
CONCISE FINANCIAL REPORT

2021



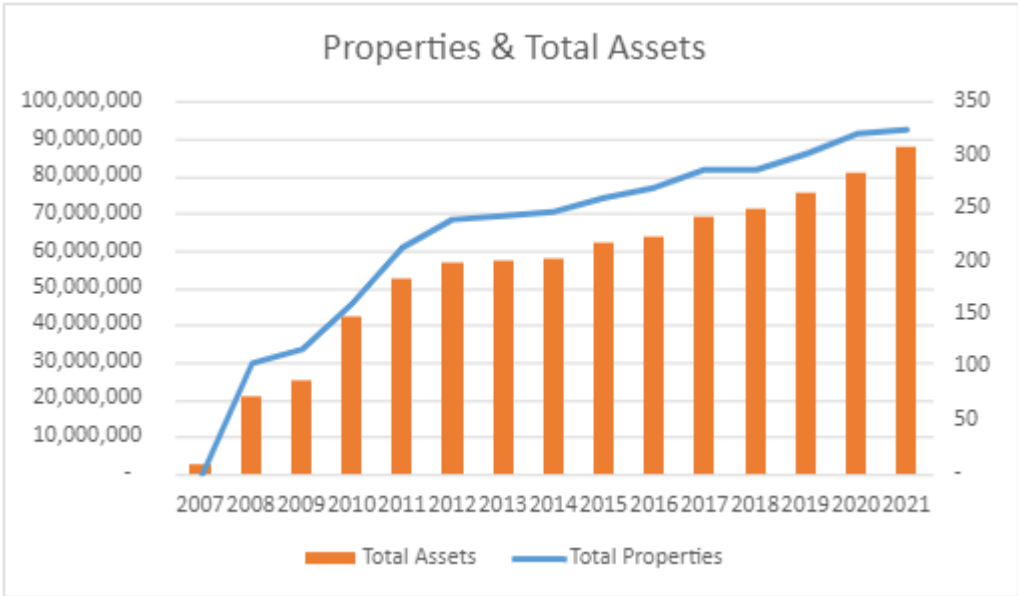
Chief Financial Officer - 2021 Financial Summary

2020-2021 has been a year of consolidation and growth. Despite the ongoing challenges of operating in a covid environment BeyondHousing generated total revenue of \$19.7m including capital grants of \$6.2m. The steady increase in operating income reflects growth in our housing portfolio over time as well as the expansion of our support services including the commencement of *Homeless to a Home* in collaboration with key support agencies in our region.



Total comprehensive income for the year was \$6.8m. Rental revenue increased by 3% to \$5.3m. The affordable housing program provided a total discount to market rent of circa \$2.5m during the year. Expenses of \$12.8m were incurred, with increases in employment costs, leave provisions and property maintenance.

Net assets exceed \$72m, noting that the 321 owned properties are reported at their written down values. 8 homes were completed, and 153 dwellings are under construction across 33 sites, at a cost of \$44m.



I would like to acknowledge the service of Mr. Brian Hargreaves who resigned in April 2021 after 18 years as Chief Financial Officer. Under his stewardship, BeyondHousing maintains a strong financial position and is well placed to capitalise on the opportunities arising under the Big Housing Build program.

I thank all the staff of the Finance team for their outstanding effort and commitment during the past 12 months.

Andrew Chittenden, CFO.

**Rural Housing Network Limited trading as Beyond
Housing**
ABN: 82 965 609 218

Concise Financial Report

For the year ended 30 June 2021

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Directors' Declaration

For the year ended 30 June 2021

Your directors present the financial statements of the Rural Housing Network Limited ('the Company') for the year ended 30 June 2021.

Directors

The following persons were directors of Rural Housing Network Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Susanne Paini	Ann Telford
Ronni Druitt	Ben Ruscoe
Alan Arthur	Cade Gow
Carly Martin (Appointed August 2020)	Neil Funston

Company secretary

Ronni Druitt acted as company secretary throughout the finance year.

Principal activities

The principal activity of the entity during the financial year was:

To provide housing support services to disadvantaged households; broadly grouped into the following areas: Transitional Housing Services, Long Term Housing Services and Rental Housing Support Services.

No significant changes in the nature of the entity's activity occurred during the financial year.

Objectives

Rural Housing Network Limited's objective is for all people to have safe, secure, affordable and appropriate housing. Rural Housing Network Limited is committed to ending homelessness. Our aim is to provide the full range of quality housing and homelessness services by working in partnership with Government, business, communities and individuals.

Strategies

Rural Housing Network Limited's strategies to achieve these objectives are -

1. To deliver services to our clients in ways that represent our values, promote the rights of people and ensure the best possible housing outcomes; prioritising for the most vulnerable in our communities.
2. To provide leadership, advocacy, and influence on the issues of homelessness and affordable housing within our catchment and beyond.
3. To be a values-based organisation, with a positive team culture that promotes safety and well-being; and supports each other in the pursuit of achieving our vision to end homelessness
4. To use evidence of demand to grow, recognising that it requires the courage to take some considered risks and the resources to develop concepts that, when tested, may not proceed.
5. To have robust systems that enhance the experience for all stakeholders, drive strategic improvements and provide for an objective basis for decision-making and accountability.
6. To minimise our environmental impact through the adoption of financially viable initiatives to improve resource efficiency, reduce waste generation and reduce the consumption of natural resources.

Directors' Declaration

For the year ended 30 June 2021

KPI's

Rural Housing Network Limited monitors its financial performance by setting targets for some key financial benchmarks. Performance against these indicators for the financial year ending 30 June 2021 and prior year are set out in the Table below.

Performance Indicator	2021		2020	
	Actual	Benchmark	Actual	Benchmark
Earnings (excluding Capital Grants) before Interest Expense, Tax, Depreciation & Amortization (EBITDA) to Interest Expense, 'Interest Cover'	8.34 Times	1.35 Times	5.83 Times	1.35 Times
EBITDA as percentage of Operating Revenues	16.36%	> 15%	16.85%	> 15%
Net Assets as percentage of Total Assets	82.1%	> 75%	80.8%	> 75%
Current Assets to Current Liabilities	0.80 to 1.00	1.00 to 1.00	0.70 to 1.00	1.00 to 1.00
Total Borrowings to Total Equity	12.5%	<15%	13.5%	<15%

Information on directors

Neil Funston

Director since 30/08/2017

Responsibilities:

- Finance & Audit Committee
- People & Culture Committee

Qualifications:

- Diploma of Mechanical Engineering

Susanne Paine

Director since 5/11/2008

Responsibilities:

- Chairperson from 30/11/2017
- People & Culture Committee

Qualifications:

- Master of Business Administration
- Graduate, Australian Institute of Company Directors

Ronni Druitt

Director since 25/09/2019

Responsibilities:

- Secretary from 27/11/19
- Risk & Governance Committee

Qualifications:

- Bachelor of Arts (Political Science & Sociology)

Ann Telford

Director since 24/02/2017. Resigned 15/08/19

Reappointed 22/02/2020

Responsibilities:

- Deputy Board Chair
- People & Culture Committee

Qualifications:

- Bachelor of Arts
- Graduate, Australian Institute of Company Directors
- Grad Cert. Leadership & Management
- Executive Master of Public Administration

Alan Arthur

Director since 27/11/2019

Responsibilities:

- Risk & Governance Committee

Qualifications"

- Bachelor of Science (Hons), Computer Science
- Master of Business Administration
- Graduate, Australian Institute of Company Directors

Cade Gow

Director since 28/11/2012

Responsibilities:

- Treasurer from 28/11/2019
- Finance & Audit Committee

Qualifications:

- Bachelor of Business (Accounting)
- Member, Institute of Chartered Accountants

Directors' Declaration

For the year ended 30 June 2021

Carly Martin

Director since 26/08/2020

Responsibilities:

- Capital & Projects Committee

Qualifications:

- Master of Architecture
- Bachelor of Architecture
- Registered Architect
ARBV 20460, NSW ARB 9598

Ben Ruscoe

Director since 29/04/2020

Responsibilities:

- Finance & Audit Committee
- Capital & Projects Committee

Qualifications:

- Bachelor of Agricultural Science (Hons)
- Graduate, Australian Institute of Company Directors
- Masters in Finance

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held *
Susanne Paini**	6	7
Carly Martin	8	8
Cade Gow	7	9
Ann Telford	9	9
Neil Funston	9	9
Ronni Druitt	4	9
Alan Arthur	9	9
Ben Ruscoe	8	9

* reflects the number of meetings held during the time the director held office during the year.

** Susanne Paini was on a leave of absence for the last two meetings during the year.

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding and obligations of the entity. At 30 June 2021, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2020: \$70).

Auditor's independence

A copy of the auditors' independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* has been received and can be found following this director's report.

This directors' report is signed in accordance with a resolution of the directors.

Director
Susanne Paini



Director
Cade Gow



Wodonga
28 October 2021

Rural Housing Network Limited trading as Beyond Housing

Directors' Declaration

For the year ended 30 June 2021

The directors of Rural Housing Network Limited declare that the concise financial report of the Company for the year ended 30 June 2021:

- a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) is an extract from the full financial report for the year ended 30 June 2021 and has been derived from and is consistent with the full financial report of the Rural Housing Network Limited.

This declaration is made in accordance with a resolution of the directors.

Director
Susanne Paini



Director
Cade Gow



Wodonga
28 October 2021

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue & Income	2	19,718,616	16,307,800
Employee benefits expense		(5,627,445)	(5,059,561)
Depreciation and amortisation expense	3	(1,327,597)	(1,215,524)
Finance costs	3	(264,763)	(371,224)
Property expenses		(1,339,349)	(1,351,941)
Client expenses		(1,168,925)	(1,244,334)
Maintenance and asset management expenses		(820,749)	(609,596)
Administrative and office expenses		(531,415)	(636,774)
Rents remitted expenses		(1,767,996)	(1,829,726)
Loss on sale of assets	3	(19,877)	(92,338)
Surplus before income tax		<u>6,850,500</u>	<u>3,896,782</u>
Income tax expense		-	-
Net surplus for the year		<u>6,850,500</u>	<u>3,896,782</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>6,850,500</u>	<u>3,896,782</u>

Statement of Financial Position

As at 30 June 2021

	2021	2020
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	4,447,105	3,642,345
Trade and other receivables	331,941	114,481
Other assets	154,040	142,022
Total Current Assets	<u>4,933,086</u>	<u>3,898,848</u>
Non-Current Assets		
Property, plant and equipment	83,126,138	77,135,099
Total Non-Current Assets	<u>83,126,138</u>	<u>77,135,099</u>
Total Assets	<u>88,059,224</u>	<u>81,033,947</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	4,649,234	3,993,674
Borrowings	291,645	381,768
Lease Liabilities	313,041	300,870
Provisions	764,439	819,752
Total Current Liabilities	<u>6,018,359</u>	<u>5,496,064</u>
Non-Current liabilities		
Borrowings	8,754,935	8,481,997
Lease Liabilities	916,005	1,521,060
Provisions	43,786	59,187
Total Non-Current Liabilities	<u>9,714,726</u>	<u>10,062,244</u>
Total Liabilities	<u>15,733,085</u>	<u>15,558,308</u>
Net Assets	<u>72,326,139</u>	<u>65,475,639</u>
EQUITY		
Retained earnings	72,326,139	65,475,639
Total Equity	<u>72,326,139</u>	<u>65,475,639</u>

Rural Housing Network Limited trading as Beyond Housing

Statement of Changes in Equity

As at 30 June 2021

	Retained Earnings
	\$
Balance at 1 July 2020	61,578,857
Net surplus for the year	3,896,782
Other comprehensive income for the year	-
Balance at 30 June 2020	<u>65,475,639</u>
Net surplus for the year	6,850,500
Other comprehensive income for the year	-
Balance at 30 June 2021	<u>72,326,139</u>

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipt of grants		15,008,613	10,124,039
Receipts from other		5,168,521	5,305,219
Payments to suppliers and employees		(11,388,556)	(10,652,276)
Interest received		14,784	67,671
Finance costs		(264,763)	(371,224)
Net cash inflow/(outflow) from operating activities		<u>8,538,599</u>	<u>4,473,429</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		17,637	11,363
Payment for property, plant and equipment		(7,605,279)	(7,206,490)
Net cash inflow/(outflow) from investing activities		<u>(7,587,642)</u>	<u>(7,195,127)</u>
Cash flows from Financing Activities			
Repayment of borrowings		(317,185)	(360,805)
Repayment of lease liabilities		(329,012)	(294,581)
Proceeds from borrowings		500,000	500,000
Net cash inflow/(outflow) from financing activities		<u>(146,197)</u>	<u>(155,386)</u>
Net Increase/(Decrease) in Cash Held		804,760	(2,877,084)
Cash at the beginning of the financial year		3,642,345	6,519,429
Cash at the End of the Financial Year		<u>4,447,105</u>	<u>3,642,345</u>

Notes to the concise financial report

For the year ended 30 June 2021

Note 1. Summary of significant accounting policies

Basis of preparation of the Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2021. The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Rural Housing Network Ltd. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Rural Housing Network Ltd as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, on request.

Note 2: Revenue & Income

	2021	2020
	\$	\$
Revenue recognised in accordance with AASB 15: Revenue from Contracts with Customers		
Operating grant revenue	3,916,548	3,406,750
Rental revenue	5,295,982	5,154,122
Total revenue	<u>9,212,530</u>	<u>8,560,872</u>
Income recognised in accordance with AASB 1058: Income of Not-for Profit Entities		
Operating grant income	4,194,782	4,102,687
Capital grants	6,221,827	3,255,553
Interest earned	13,617	63,190
Donations received	12,371	32,185
Other	58,343	74,053
Recoveries	5,146	12,260
Non-monetary contributions	-	207,000
Total income	<u>10,506,086</u>	<u>7,746,928</u>
Total Revenue & Income	<u>19,718,616</u>	<u>16,307,800</u>
Operating grants revenue/income reconciliation:		
Operating grant revenue recognised under AASB 15	3,916,548	3,406,750
Operating grant income recognised under AASB 1058	4,194,782	4,102,687
Total Operating grant revenue/income	<u>8,111,330</u>	<u>7,509,437</u>

Notes to the concise financial report

For the year ended 30 June 2021

Note 3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

	2021	2020
	\$	\$
Expenses		
Depreciation and Amortisation		
Buildings	509,306	470,809
Motor vehicles	37,291	36,604
Plant and equipment	116,011	97,662
Furniture, fixture and fittings	266,536	229,755
Building improvements	49,856	38,778
Right Of Use leased assets	348,597	341,916
Total Depreciation and Amortisation	<u>1,327,597</u>	<u>1,215,524</u>
Short-term and low-value lease payments	-	34,788
Bank interest expense	224,664	311,633
Lease interest expense	40,099	59,591
Total Interest expense	<u>264,763</u>	<u>371,224</u>
Audit services	17,760	17,650
Property, Plant and Equipment		
Proceeds on disposal	17,637	11,364
Disposals at written down value	<u>(37,514)</u>	<u>(103,702)</u>
Net gain/(loss) on disposals	<u>(19,877)</u>	<u>(92,338)</u>

Note 4. Events Occurring after Reporting Date

No events have occurred since the end of the financial year that have significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the ensuing or any subsequent financial years.

Note 5. COVID-19 Impact

Coronavirus (COVID 19) was first reported to the World Health Organisation as an unknown virus in late December 2019, developments through out 2020 and 2021 to date are causing great uncertainty in respect to both health and safety and for the global economy. The Company has not been significantly impacted by the restrictions given the Company is an essential service, however some programs that are run, have been subsidised further to accommodate the current events.

Notes to the concise financial report

For the year ended 30 June 2021

Note 6. Analysis of Financial Report

The discussions and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Rural Housing Network Ltd financial statements and the information contained in the concise financial report has been derived from the full financial report of the Rural Housing Network Ltd for the year ended 30 June 2021.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021, a surplus of \$6,850,500 has been achieved. The reported surplus was based on total revenues of \$19,718,616. Comparative figures for the prior year, 2019/2020, were a surplus of \$3,896,782 and total revenues of \$16,307,800.

Included in the current year's result was capital grant income of \$6,221,827, which related mainly to funding from the Department of Justice and Community Safety, Department of Social Services, Director of Housing and Peter and Lyndy White Foundation to construct affordable housing. This compares with the 2019/2020 year which included capital grants of \$3,255,553. Excluding capital grant income, a surplus of \$648,181 was achieved in the current year compared to \$641,229 in the 2019/20 year.

Operating grants in 2020/21 of \$8,111,330 have increased by \$601,893 compared with the 2019/20 operating grants balance of \$7,509,437. The increase related mainly to an increase of \$342,190 in the Private Rental Assistance Program funding, and an increased of \$264,392 in the Housing Establishment Fund program funding. Operating grants represented 60% of operating income which is comparable to the prior year of 59%.

Rental income received has increased in 2020/21 due mainly to the increased number of rental properties that the company operate based on new housing constructed within the past 12 months.

Operating expenses for the 2020/2021 year, (excluding finance costs and loss on sale of assets) totalled \$12,583,476 compared to \$11,947,456 in 2019/2020. The 5.1% increase in operating expenses in 2020/2021 over the previous year, was mainly due to an increase full time equivalent staff along with annual wage increases, resulting in an increase in employee benefit expenses of \$567,884. Maintenance and asset management expenses also increased by \$211,153, as a result of one-off housing maintenance funding received in the current year. Lower interest rates saw a \$106,461 decrease in finance costs.

Interest income in 2020/2021 of \$13,617 has decreased on the prior year amount of \$63,190 due to lower interest rates being received for term deposit investments.

Statement of Financial Position

As at 30 June 2021, net assets were \$72,326,139, compared to \$65,475,639 as at 30 June 2020, an increase of 10.5%. Current assets including cash and cash equivalents amounted to \$4,933,086 at the end of the 2020/2021 year, compared to the corresponding total of \$3,898,848 at the end of prior year. An increase in the balance is mainly due to grants received during the year which are yet to be expended.

Property, plant and equipment at the end of 2020/2021 amounted to \$83,126,138, at written down value, which represented an increase of \$5,991,039 when compared to 2019/2020 balance of \$77,135,099. The increase is due to capital additions which mainly represents the construction, purchase and fit-out of new affordable accommodation.

Current liabilities increased to \$6,018,359 at the end of 2020/2021 compared to the 2019/2020 closing balance of \$5,496,064. The increase of \$522,295 is due mainly to a \$596,431 increase in the contract liabilities – operating grants in advance balance.

Notes to the concise financial report

For the year ended 30 June 2021

Note 6. Analysis of Financial Report (continued)

Non-current liabilities decreased to \$9,714,729 at the end of 2020/2021 compared to the 2019/2020 closing balance of \$10,062,244. The decrease of \$347,518 is mainly the result of a \$605,055 decrease in the non-current lease liability balance offset by a \$272,938 increase in non-current borrowings.

Statement of Cash Flows

During 2020/2021 operating, investing and financing activities generated a net increase in cash held of \$804,760 compared to a decrease of \$2,877,084 in 2019/2020. The major movement in cash flows in the current year were in regard to grant funding received which increased by \$4,884,574 from 2019/20. This increase is mainly driven by an increase in capital grants received to fund construction projects. Increased operational grant funding was also received in the current year which was offset by a \$736,280 increase in cash out flows from payments to suppliers and employees.

Independent auditor's report to the members of Rural Housing Network Ltd

Report on the concise Financial Report

The accompanying concise financial report of Rural Housing Network Ltd comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Rural Housing Network Ltd for the year ended 30 June 2021. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Auditor's opinion of the Financial Report

In our opinion, the concise financial report Rural Housing Network Ltd for the year ended 30 June 2021 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibility for the concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the concise financial report, the Directors are responsible for Rural Housing Network Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the concise financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the concise financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

JMM

Johnsons MME
Chartered Accountants



Ryan Schischka
Director

Albury
28 October 2021